

# RENOVATION 101

## The Contract

A detailed 'Scope of Work' ensures you know what you're paying for.

BY BRUCE CROMIE

The next step in our series on renovation guidelines starts after you obtain a set of working drawings for your new home, addition or renovation. You will probably pay somewhere between \$3,000 and \$15,000 for them, depending on the complexity of the project. (This article is Part Four of a series. For Parts One, Two and Three, visit [www.home-digest.com](http://www.home-digest.com).)

You think the plans look great, but what do you do now? There's more paperwork, of course! You are going to need to provide a few more pieces of information to the city in order to get a building permit.

You will need a recent survey of your property and a set of drawings called Heat Loss/Gain Calculations. These drawings tell the city officials whether your existing furnace is sufficient in size or not. It will also show how a new system will be installed.

With all the proper documentation on hand, it is time to apply for a building



permit. The process of getting a building permit will take a minimum of six weeks from the time of application.

This period is a perfect time to get an accurate price for your project and to go to the bank for financing, if needed.

The secret to getting a proper estimate is to get a detailed 'Scope of Work' included as part of the estimate. The Scope of Work will outline exactly what is included in the price and what is not. It will itemize the types of material to be used and the quality of the exterior and interior finishes.

A proper estimate will also show you what items have been priced using an 'allowance method.' An 'allowance' is an itemized detail that is included in the price based on a certain



### DID YOU HEAR...?

- When judging a man's appearance, women notice physical attributes first (40%), followed by attire (28%) and grooming (25%).
- Forty percent of men prefer boxers to briefs, while 10% choose boxer briefs as their underwear preference. Two-thirds of women prefer their men in boxers.



## THE RENO FILE

dollar value. For example, if the total price for a new addition is \$150,000, there would be a description within the price indicating there are 500 sq ft of slate floors at \$10 per sq ft for the material, \$10,000 for the supply of kitchen cabinets, and \$6,000 for the supply of windows, etc.

This method gives you the opportunity to choose your own finishes. This way you are not locked into a typical builder/client argument of what your expectations were versus those of the builder. If you spend more than the allowance, you pay more. If you spend less than the allowance, you pay less. It's that simple.

So what about the horror stories that you have heard about other people getting 'extra'd to death' and going severely over budget. This typically stems from people going with a builder or contractor whose price was too good to be true.

The problem arises when the builder realizes that the project has been under-priced considerably. It also stems from a contract that is not detailed enough. Then the job turns into a 'He said, she said' nightmare.

You need a detailed contract to eliminate this problem. Typically you should budget for 10-20% above the estimate for extras. This gives you a little bit of flexibility for upgrading when you see the endless number of options that are available in finishes and fixtures.

If you get involved in a major project and you really have to worry about spending \$10,000 more or \$10,000 less, then you are heading for disaster. You can literally choose a bathtub for \$165 or for \$9,000. A professionally detailed Scope of Work and contract, along with properly detailed drawings, are part of your road map to an enjoyable project.

A word to the wise: with the housing economy being as hot as it is these days, there are an unbelievable number of self-proclaimed builders and renovators popping up. There is not a day at our office that we don't get a call about someone getting ripped off by a 'wannabe contractor,' or about a job that needs to be redone because someone hired a cheap 'jack-of-all-trades' type of person.

Do you recall the saying, 'Jack of all trades, master of none'? This cliché hits the nail right on the head. To this day, although I often hear contractors say "I can do it all," I have not yet met an individual who can do all aspects of residential construction at an acceptable and professional level. ❁



Bruce Cromie

■ Send your questions, thoughts and concerns and Bruce Cromie will deal with them in the next issue of Home Digest. He is president of Woodcastle Construction Ltd. in the GTA. He can be reached at [bruce@woodcastle.ca](mailto:bruce@woodcastle.ca), 905-625-3325 or toll-free at 1-866-902-3325.



### DID YOU HEAR...?

- Health experts say consuming over 300 milligrams a day of caffeine (about three small cups of coffee) can cause health problems, including insomnia, headaches, irritability, nervousness and spikes in blood pressure.
- Over 472,000 Canadian households bought a home in 2002, spending \$1.3 billion on furniture.